

## CAPITAL IMPROVEMENT FUND

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Description of Fund	The Capital Improvement Fund is utilized by the Village to accumulate resources and pay expenses for capital improvements, repairs, and other projects as provided for by State statute. The annual Street Maintenance Program, sidewalk improvements, bikeways, and other capital improvement programs are included in this fund.
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### ***Changes from Previous Budgets – Combining of Accounting Funds – Public Benefit Fund***

To prepare for the full implementation of the Governmental Accounting Standards Board (GASB) 34 Statement by Fiscal Year Ended 2003, the Village initiated significant revisions to its fund structure at the end of Fiscal Year 2001. In previous budgets the Village's fund structure included special revenue funds that were used to account for special activities supported by designated revenue sources. At the end of 2001 all but one of these Funds were combined with the General Fund. The one exception was the former Public Benefit Fund. At the end of 2001 when this fund was closed its balance was combined with the Capital Improvement Fund.

The 2003 – 2004 Biennial Budget was developed based on this new fund structure. This document also anticipates a comprehensive amendment to the 2002 budget required to bring it into compliance with the changes in the fund structure.

To account for these restricted Public Benefit assets, the Village has established within the Capital Improvement Fund an account entitled Reserved for Restricted Balances. Revenues from Public Benefit will be displayed as Restricted Revenues and allocated to the Reserved for Restricted Fund Balance. Expenditures related to Public Benefit will be included in the budgets of the Capital Improvement Fund. There are no expenditures related to Public Benefit budgeted in the 2003 – 2004 Biennial Budget. If there had been expenditures related to Public Benefit, the budget would have provided for a Reserved Balance Transfer from Reserved for Restricted Fund Balance to the Unreserved Capital Improvement Fund Balance to offset these expenditures.

### ***Budget Analysis***

The Capital Improvement Fund Budget includes \$1,277,900 in Available Funds ***Under*** Expenditures in 2003 and \$120,100 in Available Funds Over Expenditures in 2004. Total Available Funds includes all Undesignated/Unreserved Revenues, any Reserved Balance Transfers, and net Interfund Transfers In/(Out). Total Available Funds are projected to decrease from \$2,456,410 in the 2002 Budget to \$860,100 in 2003, a decrease of \$1,596,310 (64.99%). In 2004, Available Funds are projected to increase by \$745,000 (86.62%), increasing from a 2003 level of \$860,100 to \$1,605,100.

In 2003, Total Available Funds decrease when compared to the 2002 Budget due to a significant increase in Interfund Transfers/Loans Out. This is the result of the Capital Improvements Fund loaning the Tax Increment Financing (TIF) Fund an additional \$1,400,000, \$800,000 of which is deducted from Total Available Funds for 2003 (*the remainder of this loan will come from the Balance Designated for Parking, this explains why the Undesignated Fund Balance is not decreasing by \$1,277,900, \$600,000 moves from the Balance Designated for Parking to the Undesignated Balance*). Excluding this loan, Total Available Funds would have exceeded expenditures by \$122,100.

Undesignated/Unreserved Revenues are projected to decrease by \$646,310 (25.79%) from \$2,506,410 in 2002 to \$1,860,100 in 2003. This decrease is due primarily to one-time grant and other contributions projected to be received in 2002 for the Flint Creek Bikeway Project totaling \$781,800. The Village is

projected to receive grants and contributions of approximately \$265,000 (Intergovernmental and Miscellaneous) for a project to restore a portion of Flint Creek in 2003. Excluding these one-time revenues, Capital Improvement Fund revenues in 2003 are projected to decline by \$125,010 when compared to 2002. This decrease is largely a result of lower projected revenues from Interest Income and Village Property Usage (*Please see Revenue and Expenditure Trends, beginning on Page 35 for a more detailed analysis of Capital Improvement Revenues*). Interfund Transfers In decrease by \$350,000 from 2002 to a total of \$400,000 due to a decrease in the transfer from the General Fund (*Please see the Transmittal Letter, Page 3 for a more detailed explanation of this decrease*). The 2003 budget also includes projected donation/contributions for the continuation of the Route 14 Beautification Project. These revenues have no net effect on the fund in that they will be directly offset by project expenditures.

In 2004, Total Available Funds increase because the Capital Improvement Fund is not making as large of a loan to the TIF Fund in 2004. The Interfund Transfer/Loan Out amount for 2004 decreases by \$1,000,000 to a total of \$400,000. Revenues are projected to decrease in 2004 due to the fact that no grants or contributions are anticipated. Excluding one-time revenues, revenues in 2004 increase by \$10,000 due to an increase in Other Taxes of \$10,000. Interfund Transfers In remain stable at \$400,000.

### *Expenditures*

Expenditures are projected to decrease by \$1,405,000 (39.66%) in 2003 to a total of \$2,138,000 as compared to the 2002 Budget total of \$3,543,000. A significant portion of the decrease in 2003 is due to a \$920,000 reduction in expenditures on Bikeway programs in 2003. (The 2002 budget included the Flint Creek Bikeway Project – including the construction of a tunnel/culvert under the Union Pacific rail lines.) There are also decreases in Street Improvements of \$200,000, in the Village Facilities Project of \$80,000 (no funds have been budgeted for Village Facilities in 2003 or 2004), and in Pedestrian Programs of \$15,000. These decreases are offset to some extent by an increase in the Flint Creek Restoration Project of \$285,000. In addition, the Village engaged in a one-time purchase of Church Property in 2002 for \$425,000. The 2003 budget also includes \$20,000 for the continuation of the Route 14 Beautification Project. The continuation of this project, as proposed, is subject to the successful receipt of donation/contributions equal to the cost of this project.

In 2004, expenditures are projected to decrease by \$653,000 (30.54%) to a total of \$1,485,000. The decrease in 2004 is due to a decrease in the Street Maintenance Program of \$293,000 (due to the anticipated completion of the Route 14 reconstruction project in 2003), a decrease in the Flint Creek Restoration Projects (no restoration projects proposed in 2004) of \$285,000, and a decrease in the Bikeway Program (no bikeway programs proposed in 2004) of \$75,000.

### *Projected Fund Balances*

In 2003 – 2004 the Capital Improvement Fund will add a Reserved Fund Balance for Public Benefit to the other Reserved and Designated Balances in the Fund. The other types of Fund Balance in the Capital Improvement Fund include Undesignated, Reserved for Non-Current Receivables, and Designated balances for Parking, Bikeways, and Village Facilities.

The Undesignated Fund Balance will decrease to \$241,329 in 2003 as a result of the loan to the TIF Fund (as detailed below, a portion of this loan will come from the Balance Designated for Parking). In 2004 this balance increases by \$120,100 to a total of \$361,429. In 2003, the Reserved for Non-Current Receivables balance increases by \$1,368,000 due to the additional loan to the TIF Fund. This balance is also increased by \$100,000 in 2003 due to interest accumulated on previous loans to the TIF Fund. In 2003 the total Fund Balance Reserved for Non-Current Receivables will be \$5,160,000. In 2004 the Reserved Balance for Non-Current Receivables increases by \$500,000 in total due to the additional loan to the TIF Fund and additional accumulated interest on outstanding loans to TIF.

The projected 2003 Reserved Fund Balance for Public Benefit is \$132,995 and includes interest earned on the Reserved Fund Balance. In 2004, the Reserved Fund Balance for Public Benefit is projected to increase by \$4,500 due to interest earnings. The projected Reserved Fund Balance at the end of 2004 is \$137,495.

In 2003 the Designated Balance for Parking decreases by \$600,000 to \$0 due to this balance being loaned to the TIF Fund to provide funding for Downtown Improvements. No change in this balance is projected in 2004.

The Designated Balance for Village Facilities is projected to remain stable at \$475,500 in 2003 and 2004.

**VILLAGE OF BARRINGTON  
CAPITAL IMPROVEMENTS FUND  
REVENUE AND EXPENDITURE SUMMARY**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Amended Budget</u></b>	<b><u>Projected Actual</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>
<b>Beginning Fund Balance</b>	<b>4,321,523</b>	<b>4,797,415</b>	<b>5,800,824</b>	<b>5,800,824</b>	<b>5,783,224</b>	<b>6,009,824</b>
<b>Revenue</b>						
Other Taxes	1,315,746	1,325,345	1,272,100	1,303,500	1,270,000	1,280,000
Licenses & Permits	0	90	500	100	100	100
Intergovernmental	587,419	10,000	749,400	749,400	171,000	0
Charges for Services	150,413	0	12,500	5,000	5,000	5,000
Fines and Forfeitures	0	12,705	0	0	0	0
Village Property Usage	200,628	180,410	249,510	200,000	200,000	200,000
Investment Income	429,357	216,241	140,000	50,000	100,000	100,000
Miscellaneous	30,291	16,675	82,400	82,400	114,000	20,000
<b>Total Undes/Unres Revenue</b>	<b>2,713,854</b>	<b>1,761,466</b>	<b>2,506,410</b>	<b>2,390,400</b>	<b>1,860,100</b>	<b>1,605,100</b>
Total Restricted Revenue <sup>(1)</sup>	0	0	15,000	10,000	4,500	4,500
<b>Total Revenue</b>	<b>2,713,854</b>	<b>1,761,466</b>	<b>2,521,410</b>	<b>2,400,400</b>	<b>1,864,600</b>	<b>1,609,600</b>
<b>Transfers</b>						
Interfund Transfers (In)	1,000,000	500,000	750,000	750,000	400,000	400,000
Loans to TIF Fund (Out)	(2,000,000)	(800,000)	(800,000)	(800,000)	(1,400,000)	(400,000)
<b>Total Available Funds</b>	<b>1,713,854</b>	<b>1,461,466</b>	<b>2,456,410</b>	<b>2,340,400</b>	<b>860,100</b>	<b>1,605,100</b>
<b>Expenditures</b>						
Information Systems	73,917	0	0	0	0	0
Village Facilities Project	937,135	174,647	80,000	80,000	0	0
Street Improvements	1,861,082	1,195,340	1,888,000	1,588,000	1,688,000	1,395,000
Tree Preservation	29,282	5,000	5,000	0	0	0
Route 14 Beautification	0	0	40,000	40,000	20,000	20,000
Traffic Control Facilities	825	0	25,000	10,000	10,000	10,000
Flint Creek Restoration	9,452	2,967	0	0	285,000	0
Pedestrian Programs	100,600	60,434	75,000	75,000	60,000	60,000
Bikeway Program	225,669	138,164	995,000	920,000	75,000	0
Storm Sewer/Drainage	0	0	10,000	0	0	0
Church Property	0	0	425,000	425,000	0	0
<b>Total Expenditures</b>	<b>3,237,962</b>	<b>1,576,552</b>	<b>3,543,000</b>	<b>3,138,000</b>	<b>2,138,000</b>	<b>1,485,000</b>
<b>Available Funds Over / (Under) Expenditures</b>	<b>(1,524,108)</b>	<b>(115,086)</b>	<b>(1,086,590)</b>	<b>(797,600)</b>	<b>(1,277,900)</b>	<b>120,100</b>
<b>Year-End Fund Balances</b>						
Undesignated	1,374,065	1,476,829	390,239	919,229	241,329	361,429
Reserved <sup>(2)</sup>	2,000,000	2,800,000	3,792,000	3,660,000	5,160,000	5,660,000
Reserved/Public Benefit	0	318,495	318,495	128,495	132,995	137,495
Designated/Parking	600,000	600,000	600,000	600,000	0	0
Designated/Bikeways	50,000	50,000	50,000	0	0	0
Designated/Village Facil.	730,000	555,500	475,500	475,500	475,500	475,500
Designated/Route 59	43,350	0	0	0	0	0
<b>Total Fund Balance</b>	<b>4,797,415</b>	<b>5,800,824</b>	<b>5,626,234</b>	<b>5,783,224</b>	<b>6,009,824</b>	<b>6,634,424</b>

(1) Please see the Capital Improvement Fund Summary for an explanation of Restricted Revenues and their amounts.

(2) This reservation of funds is a non-current receivable for the money that is owed to the Capital Improvement Fund by the Village Center Tax Increment Financing (TIF) Fund. The Capital Improvement Fund has loaned this money to the TIF for projects related to Downtown Redevelopment and the Village Center Streetscape Project.